

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket Nos. D.T.E. 02-24 and D.T.E. 02-25
Responses to the Department's Second Set of Information Requests

Request No. DTE 2-8:

Refer to Schedule MHC-1 (Electric) at 2 and D.T.E. 99-118, at 95. Please explain the reasons for the increase in other operating revenue associated with electric service from \$163,987 in 1999 to \$516,933 during the test year.

Response:

The increase in other operating revenue associated with electric service between 1999 and 2001 is due to a number of reasons. The following is an explanation of those reasons.

1. Water heater rental increased by approximately \$10,000, attributable to an increase in the number of water heaters being rented.
2. Late charge revenue increased by approximately \$27,000.
3. Miscellaneous revenues increased by approximately \$46,000 due to the rental of a transformer.
4. Rent from electric property increased by roughly \$110,000. The reason for this is multifold. First, there was an increase in the number of poles rented for cable TV. Second, there was an increase in the monthly rental rate for the pole attachments. Finally, an accounting adjustment in 1999 was required to reflect an adjustment pertaining to 1998.
5. FERC guidelines stipulate that accounts 442 and 444 are for use in recording the net billing for electricity supplied to customers. These guidelines also stipulate that account 456 (Other Operating Revenues) is for use in recording revenues from electric operations not included in accounts 442 and 444, including the transmission of electricity of others over the transmission facilities of the utility. In 2001, customers were given the opportunity to purchase their energy from external suppliers. The bills to customers whose energy requirements were met by external suppliers no longer reflected an energy supply component. As a result, a change in the classification of the T&D revenues from these customers, from accounts 442 and 444 to account 456, took place in 2001. The amount of these revenues was approximately \$160,000.

Person Responsible: Mark H. Collin